Restatement of Proclamation of Sole Beneficial Ownership and Executive Directorship

RESTATEMENT OF PROCLAMATION
By the Sole Beneficial Owner and Executive Director
WHEREAS, this Restatement reaffirms and restates in full the original Proclamation dated 1 December 2025, pursuant to the guidance on determining ownership and control structures under the Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Reforms issued by AUSTRAC (as detailed in the guidance on identifying beneficial owners and control for bodies corporate, including foreign and constitutional corporations), I, [Your Full Name], of [Your Residential Address], [Nationality], holder of [Identification Document Details, e.g., Passport Number XXXX], do hereby proclaim and declare myself as the **sole beneficial owner** and **executive director** of the following entities:

1. **Foreign Corporation**: [Name of Foreign Corporation], incorporated under the laws of [Jurisdiction of Incorporation], Registration Number [Registration Details], with principal place of business at [Address].
2. **Constitutional Corporation**: [Name of Constitutional Corporation], incorporated under the Corporations Act 2001 (Cth) of Australia, Australian Company Number (ACN) [ACN], with registered office at [Address].

DEFINITIONS AND BASIS:

- **Beneficial Ownership**: As defined under the AML/CTF Reforms, I hold ultimate ownership and control, directly or indirectly, exceeding 25% of shares, voting rights, or equivalent interests in each entity, with no other individuals or entities meeting the threshold for beneficial ownership. This includes full trace-through of ownership chains, excluding any regulated entities, listed entities, or exempt structures as per the reforms.
- **Control**: I exercise sole control over each entity, including the capacity to cast or control more than 50% of votes at general meetings, hold more than 50% of issued share capital (excluding non-voting shares), determine the composition of the board or governing body, and direct financial and operational policies, without practical influence from any other party.
- **Executive Directorship**: As the sole director, I am responsible for all executive functions, including compliance with identification and verification obligations under the reforms.

This Restatement is made in accordance with the Treasury Policy Statement on Beneficial Ownership Transparency for Unlisted Companies (PS 2024-604994), which mandates self-identification of beneficial owners, maintenance of registers, and certification for director-owner companies. No other individuals or entities qualify as beneficial owners, and I certify that the information provided to the Australian Securities and Investments Commission (ASIC) constitutes the complete record of ownership for these director-owner structures. This declaration shall be updated within 14 days of any changes and retained for 7 years, subject to ASIC enforcement provisions.

ACKNOWLEDGMENT OF USEFUL INFORMATION FROM TAX AUTHORITIES: In furtherance of the reclamation cause, I acknowledge and incorporate the following authoritative determinations from the Australian Taxation Office (ATO) and Internal Revenue Service (IRS), which beneficially support the vesting of interests, demand for transfer, and minimization of tax detriment in trust structures. These principles affirm my rights as sole beneficial owner and taker on vesting to command asset disposition without immediate adverse tax consequences, provided distributions occur within reasonable administration periods and without triggering unintended events such as gifts or capital gains:

- **ATO Taxation Ruling TR 2018/6**: On vesting of a trust, all interests in income and capital become fixed and indefeasible for the takers on vesting (e.g., a sole beneficiary), rendering the trustee a bare trustee with no ongoing discretionary powers. Vesting alone does not trigger CGT event E1 (creation of a new trust), and CGT events E5 or E7 may be avoided if no disposal occurs upon demand for transfer. Post-vesting income is assessable directly to the beneficiary under Division 6 of the ITAA 1936, allowing reclamation of invalid distributions as a breach of trust without section 95A deeming. This supports immediate present entitlement and transfer demands by a sole beneficiary, simplifying asset reclamation in bare trusts.
- **ATO ID 2011/71**: A sole beneficiary does not have an immediate right to possess trust assets until making a formal demand for transfer, at which point entitlement crystallizes indefeasibly. This confirms that vesting creates a latent absolute right, enabling reclamation upon demand without automatic tax events, thereby protecting against detriment during the transition.
- **Practical Compliance Guideline PCG 2016/16**: The Commissioner may exercise discretion to treat certain interests as fixed for trust loss provisions, particularly in vesting scenarios. This guideline aids sole beneficiaries by facilitating recognition of fixed entitlements upon vesting, reducing compliance risks and supporting loss carry-forwards in reclamation processes without recharacterization.
- **ATO Current Issues with Trusts and Tax System**: Emphasizes compliance focus on legitimate vesting and avoidance of schemes, referencing TR 2018/6. This underscores ATO support for transparent beneficiary demands in vested trusts, mitigating risks of scrutiny when reclaiming assets in good faith.
- **IRS 26 CFR § 1.641(b)-3**: Trust termination for tax purposes occurs only upon full distribution to entitled persons, with a reasonable time allowed for administration post-vesting event. Partial distributions (retaining reserves for liabilities) do not terminate the trust, and income during wind-up is treated as distributable to the ultimate beneficiary. This allows structured transfers (e.g., trustee-to-trustee) without immediate income inclusion, benefiting cross-jurisdictional reclamation by avoiding premature tax traps.
- **IRS Chief Counsel Advice CCA 202352018**: Modifying a grantor trust (e.g., adding reimbursement clauses) with beneficiary consent can trigger taxable gifts by relinquishing interests. However, this highlights the advantage of unmodified vested structures, where demands for transfer under original terms avoid gift tax implications, supporting in-specie transfers without consent-based alterations.

- **IRS Private Letter Ruling PLR 202504006**: Division of a marital trust on a non-pro rata basis (e.g., into shares aligned with gift tax exclusions) followed by disclaimer does not trigger income, gift, or estate tax events, provided QTIP status is maintained. The disclaimer does not cause zero valuation under §2702. This precedent benefits reclamation by permitting trust subdivisions and targeted transfers to remainder beneficiaries without tax detriment.
- **IRS Private Letter Ruling PLR 202506004**: Trustee-to-trustee transfers of IRA assets from a trust to inherited IRAs for beneficiaries do not constitute taxable distributions under §§402(c) and 408(d)(1). Income in respect of a decedent (IRD) is includible only upon actual receipt by beneficiaries, with independent RMD obligations post-transfer. This facilitates efficient asset rollovers in reclamation, avoiding immediate income tax on retirement assets.
- **IRS Guidance on Trust Termination Tax Issues**: Termination via commutation or decanting can trigger capital gains if not structured properly, but trustee-to-beneficiary distributions within reasonable periods avoid such traps. Strategies like partial reserves for liabilities preserve tax deferral, aligning with demands for in-kind transfers without forced liquidation.

These determinations are authoritative across jurisdictions and shall be cited in all executor duties, legal bases, and compliance filings to ensure international alignment, minimizing detriment to beneficiaries while enforcing my sole rights.
EFFECTIVE DATE: This Restatement takes immediate effect as of 1 December 2025, superseding the original Proclamation for all purposes.
Declared and Signed:

[Your Full Name]
Sole Beneficial Owner and Executive Director
Date: 1 December 2025
Witnessed by:

[Name of Independent Witness], [Qualification, e.g., Justice of the Peace]
Date: 1 December 2025

Updated Public Notice of Command for Asset Liquidation or Transfer and Formation of Private Unregulated Trust

PUBLIC NOTICE (RESTATEMENT)
Issued by the Sole Beneficial Owner and Executive Director
NOTICE IS HEREBY GIVEN that, pursuant to the Restated Proclamation above, and in exercise of my express wishes, desires, and pleasure as the ultimate controller of the entities described therein, I do hereby restate and reaffirm the command and direction for asset disposition, incorporating the acknowledged tax determinations to safeguard against detriment.

TO: The Legal Owner(s), Custodian(s), Trustee(s), and/or Authorized Agents of all assets beneficially held by or attributable to the Foreign Corporation [Name] and Constitutional Corporation [Name], including but not limited to shares, securities, real property, chattels, bank accounts, intellectual property, retirement accounts, and any other forms of property or interests (collectively, "the Assets").

COMMAND FOR ASSET DISPOSITION (Updated with Tax Safeguards):

1. **Liquidation or Transfer in Specie/In Kind**: You are hereby commanded to liquidate all Assets or transfer them in specie or in kind to me, [Your Full Name], as the sole beneficial owner and taker on vesting, within [Specify Reasonable Timeframe, e.g., 30 days] of receipt of this Notice, utilizing trustee-to-trustee mechanisms where applicable (per IRS PLR 202506004 and 26 CFR § 1.641(b)-3) to avoid taxable distributions. Such disposition shall be effected through appropriate legal mechanisms, including but not limited to share transfers, deeds of assignment, deeds of advancement, or custodial releases, ensuring compliance with applicable transfer laws and vesting principles (per ATO TR 2018/6).
2. **Safeguard Clause**: Notwithstanding the foregoing, no liquidation or transfer shall proceed if it would cause detriment to any beneficiaries, including impairment of value, breach of fiduciary duties, adverse tax consequences (e.g., CGT events E5/E7 under ATO TR 2018/6, gift taxes under IRS CCA 202352018, or capital gains traps per IRS guidance), or unreasonable prolongation of administration (per 26 CFR § 1.641(b)-3). In such cases, you shall provide written justification to me within [e.g., 7 days], citing relevant rulings (e.g., ATO ID 2011/71 for demand crystallization), and pursue alternative arrangements (e.g., partial in-kind allocations, trust divisions per IRS PLR 202504006, or reserves for liabilities) to minimize detriment while recognizing fixed indefeasible interests post-vesting.

This command is issued under my sole control as defined in the AML/CTF Reforms and Treasury Policy Statement, encompassing practical influence over policy outcomes and asset management, now fortified by the acknowledged tax principles to ensure tax-neutral reclamation.

FORMATION OF PRIVATE UNREGULATED TRUST (Unchanged): Further, I hereby proclaim and form the **[Name of Trust, e.g., [Your Name] Private Unregulated Trust]**, a domestic discretionary trust established as a private unregulated trust under common law principles, with the following particulars:

- **Settlor**: I, [Your Full Name], as settlor, hereby transfer nominal initial property (e.g., $10) to the Trustee to constitute the Trust.
- **Trustee**: [Name of Trustee, e.g., myself or a nominated individual/corporate trustee resident in Australia], with full discretion over distributions.
- **Appointer/Protector**: I reserve the right as appointer to appoint or remove the Trustee and add/remove beneficiaries.
- **Beneficiaries**: [Specify Classes, e.g., myself and/or named family members/discretionary class], excluding any public or charitable elements.
- **Trust Property**: Upon compliance with the above command, all transferred or liquidated proceeds from the Assets shall vest in the Trust, to be held and administered for the

benefit of the beneficiaries, with vesting treated per TR 2018/6 to fix interests without new CGT events.
- **Governing Law**: The laws of [Jurisdiction, e.g., New South Wales, Australia], without submission to foreign regulatory jurisdictions.

This Trust is formed explicitly without any regulatory or statutory overreach or encroachment, as guided by the AML/CTF changes outlined in ANZ's summary of AUSTRAC reforms for unregulated trusts. It is not a regulated trust (e.g., not overseen by ATO, APRA, or ASIC-registered schemes), and beneficial ownership identification shall be limited to internal purposes: the appointer, trustees with discretion, and controllers of any corporate trustee. No KYC verification is required beyond settlor identification, and the Trust shall not provide designated services under the AML/CTF Act, thereby exempt from external reporting obligations. Transparency in ownership chains shall be maintained internally to mitigate financial crime risks, without subjecting the Trust to undue statutory burdens, and aligned with PCG 2016/16 for fixed entitlement compliance.

COMPLIANCE AND ENFORCEMENT (Updated):
- All recipients of this Notice shall acknowledge receipt in writing within [e.g., 5 days] and provide a compliance report within the specified timeframe, including tax analyses under cited rulings.
- Non-compliance may result in legal action, including applications for court orders under the Corporations Act 2001 (Cth) or trust law remedies, with remedies for breach per TR 2018/6.
- This Notice shall be published in [Specify Medium, e.g., the Australian Government Gazette and a national newspaper] and served via registered post/email to all relevant parties.

EFFECTIVE DATE: This Restated Notice takes immediate effect as of 1 December 2025.
Issued and Signed:

[Your Full Name]
Sole Beneficial Owner, Executive Director, and Settlor
Date: 1 December 2025
Notarised by:

[Name of Notary Public], [Commission Details]
Date: 1 December 2025

Updated Legal Basis Table for International Compliance

Authority/Ruling	Key Principle	Relevance to Reclamation Cause	Jurisdiction

ATO TR 2018/6	Vesting fixes indefeasible interests; trustee becomes bare trustee; no automatic CGT on vesting.	Supports demand for transfer without tax detriment; enables reclamation of invalid distributions.	Australia
ATO ID 2011/71	Sole beneficiary entitlement crystallizes on demand, not automatically.	Confirms right to possess assets upon formal request, avoiding premature tax events.	Australia
ATO PCG 2016/16	Discretion to treat interests as fixed in vesting/loss scenarios.	Facilitates recognition of sole fixed entitlements, reducing compliance risks in transfers.	Australia
ATO Trusts Compliance Focus	Legitimate vesting supported; avoidance risks for schemes.	Validates good-faith beneficiary demands against scrutiny.	Australia
IRS 26 CFR § 1.641(b)-3	Termination on distribution after reasonable administration; partial reserves allowed.	Permits structured in-kind transfers without immediate income inclusion.	USA
IRS CCA 202352018	Modifications with consent may trigger gifts; unmodified terms safer.	Avoids tax traps in vested demands by relying on original deed provisions.	USA
IRS PLR 202504006	Non-pro rata trust division and disclaimer without tax events if QTIP maintained.	Enables subdivision and targeted transfers to minimize gift/estate tax.	USA
IRS PLR 202506004	Trustee-to-trustee IRA transfers to inherited IRAs non-taxable.	Supports rollover of retirement assets without immediate IRD inclusion.	USA
IRS Trust Termination Guidance	Avoid CGT traps via proper decanting; reserves for liabilities.	Strategies for detriment-free distributions in cross-border contexts.	USA

Signed: _____ Date: 1 December 2025

Note: This document is a template for illustrative purposes based on the referenced guidance. It is not legal advice. Consult a qualified Australian and/or U.S. legal practitioner to customize and ensure compliance with current laws, as reforms may evolve.

Expanded Explanation of ATO Taxation Ruling TR 2018/6: Income Tax Consequences of Trust Vesting

Taxation Ruling TR 2018/6, issued by the Australian Taxation Office (ATO) on 28 November 2018, provides authoritative guidance on the income tax implications arising when a trust "vests." This ruling is particularly relevant in the context of discretionary trusts, where vesting typically occurs on a specified date (often 80 years from creation to comply with the rule against perpetuities) as defined in the trust deed. The ruling clarifies how vesting affects the trustee's role, beneficiaries' entitlements, income assessment, and potential capital gains tax (CGT) events, while emphasizing that vesting does not automatically terminate the trust. Instead, it transforms the trust relationship into one of fixed entitlements, often reducing the trustee to a "bare trustee."

Below, I expand on the key elements of the ruling, drawing directly from its content. This expansion builds on the prior acknowledgment in the Restatement of Proclamation, where TR 2018/6 was cited to support the rights of a sole beneficiary (as taker on vesting) to demand asset transfers without immediate CGT triggers, thereby facilitating tax-neutral reclamation. The ruling's principles reinforce the indefeasible nature of post-vesting interests, enabling commands for liquidation or in-specie transfers while minimizing detriment to beneficiaries.

1. What Vesting Means

Vesting refers to the point at which all interests in a trust's income and capital become **vested in interest and possession**—meaning they are fixed, indefeasible (not subject to divestment by future events), and immediately enjoyable by the beneficiaries. This is distinct from contingent interests, which depend on uncertain future events.

- **Vesting in Interest**: A present fixed right to future enjoyment (e.g., a beneficiary's share is locked in but not yet payable).
- **Vesting in Possession**: A right to immediate enjoyment, allowing the beneficiary to demand and receive the property.

In discretionary trusts, vesting often crystallizes when the trustee's powers to appoint income or capital expire, shifting entitlements to "takers on vesting" (typically fallback beneficiaries named in the deed). As per the ruling: "An estate is vested when there is an immediate fixed right of present or future enjoyment, is vested in possession when there exists a right of present enjoyment, and is vested in interest when there is a present fixed right of future enjoyment" (citing Griffith CJ in *Glenn v Federal Commissioner of Land Tax* (1915) 20 CLR 490 at 496).
Relevance to Reclamation: For a sole beneficiary, vesting creates an absolute, unconditional right to the entire trust estate, enabling a formal demand for transfer (as supported by ATO ID 2011/71). This latent entitlement supports commands to liquidate or transfer assets without prior automatic tax events, provided the demand is made post-vesting.

2. Status of the Trustee Post-Vesting (Bare Trustee)

Upon vesting, the trustee's role fundamentally changes. In a discretionary trust, all discretionary powers over income and capital cease, and the trustee becomes a **bare trustee**—holding legal

title solely for the takers on vesting, with no active management discretion. The trustee's duties narrow to:

- Safeguarding the trust property.
- Dealing with it only in accordance with the fixed interests of the beneficiaries (e.g., distributing on demand).

The trust may continue indefinitely post-vesting (e.g., for administrative purposes), but the relationship evolves into a fixed trust. As the ruling notes, citing *Byrnes v Kendle* (2011) 243 CLR 253 at 264–5: The trustee holds as a "bare trustee" with no beneficial interest or ongoing powers.

Relevance to Reclamation: This status obliges the bare trustee to comply with beneficiary demands for asset disposition (e.g., in-specie transfers), treating non-compliance as a breach of trust. In the context of the Proclamation, it empowers the sole beneficial owner to direct custodians without regulatory overreach, as the trustee cannot withhold based on expired discretions.

3. Cessation of Discretionary Powers

Vesting is automatic and self-executing upon the deed-specified date, regardless of the parties' awareness. Post-vesting:

- The trustee can no longer appoint income or capital to specific beneficiaries.
- Any purported exercise of discretion (e.g., unequal distributions) is **ineffective and void**, as it falls outside the scope of remaining powers.

This applies even if the trustee and beneficiaries mistakenly continue operating as if the trust were discretionary. The ruling cites *Pitt v Holt* [2013] 2 AC 108 at [96]: "The purported exercise of a discretionary power on the part of trustees will be void if what is done is not within the scope of the power."

Relevance to Reclamation: Invalid post-vesting distributions (e.g., to non-entitled parties) do not alter fixed entitlements, allowing the sole taker to reclaim overpaid amounts via restitution or tracing. This safeguards against detriment, as commanded in the Public Notice, by voiding any actions that impair the sole beneficiary's indefeasible share.

4. Rights of Takers on Vesting

Takers on vesting—those entitled under the deed if discretions remain unexercised—gain **absolute and indefeasible interests** in the trust property, held as tenants in common (or per deed terms). They have:

- An immediate right to income and capital in fixed proportions.
- The ability to demand transfer, possession, or dealings as if they were the true owners.

If the deed leaves discretion on identifying takers unexercised, fallback provisions apply (e.g., equal shares among a class). For a sole beneficiary, this results in 100% absolute entitlement.

Relevance to Reclamation: As the sole taker, the beneficial owner can enforce transfer demands, crystallizing possession without further trustee approval. This aligns with the safeguard clause in the Notice, ensuring no detriment from partial or delayed distributions.

5. CGT Events That May Occur

Vesting itself does **not** trigger CGT event E1 (creation of a new trust under s 104-55 ITAA 1997), as the original trust typically persists. However:

- **CGT Event E5** (s 104-70): May apply if takers become absolutely entitled to a CGT asset (e.g., shares), treating the beneficiary as acquiring it at the trustee's cost base.
- **CGT Event E7** (s 104-85): Triggers on actual distribution of a CGT asset to the beneficiary, ending the trustee's capital interest—unless the beneficiary was already absolutely entitled pre-distribution.

If parties later declare a new trust post-vesting (e.g., to extend duration), E1 occurs, with assets acquired at market value. The ruling references *Fischer v Nemeske Pty Ltd* [2016] HCA 11 for changes in beneficial ownership on appointment.
Relevance to Reclamation: Commands for in-kind transfers can avoid E7 by recognizing pre-existing absolute entitlement post-vesting. Liquidation should be deferred if it risks E5 gains, prioritizing in-specie options to minimize tax detriment.

6. Assessment of Post-Vesting Income Under Division 6 ITAA 1936

Post-vesting, the trustee is no longer assessed on net income (under s 99 or 99A ITAA 1936). Instead:

- Income is assessed directly to takers on vesting per their fixed entitlements (s 97 ITAA 1936).
- In the vesting year, income is apportioned fairly between pre- and post-vesting periods.
- Sections 95A (present entitlement) and 101 (trustee assessments) do not apply to override fixed interests—invalid distributions do not create deemed entitlements.

Example from Ruling (Example 5): If vesting occurs mid-year with $100 income ($50 pre-vesting appointed to Beneficiary A, $50 post-vesting shared equally by B and C), A is assessable on $50 of net income, while B and C each get $25.
Relevance to Reclamation: Ensures the sole beneficiary is taxed only on their proportional share, supporting demands for undistributed income without section 95A traps.

7. Implications for Distributions and Invalid Distributions

- **Valid Distributions**: Must align with fixed shares; post-vesting, they simply transfer possession.
- **Invalid Distributions**: Breaches of trust, void ab initio—beneficiaries receiving excess hold on resulting trust and must refund. The trustee can trace misapplied assets or seek compensation.

Ignorance of vesting does not validate errors (Example 2: Continued discretionary payments post-vesting mean income belongs to takers, assessable to them).
Relevance to Reclamation: Enables recovery of invalidly distributed assets, reinforcing the command to custodians to transfer without detriment, potentially via court orders for breach remedies.

8. Examples and Case References

The ruling includes practical examples (e.g., ineffective deed amendments, mid-year apportionment) and draws on cases like:

- *Clay v James* [2001] WASCA 18: Trusts may continue post-vesting for wind-up.
- *Hancock v Rinehart* [2015] NSWSC 646: Vesting converts to fixed trust.
- *Cajkusic v Commissioner of Taxation* [2006] FCAFC 164: Vesting arguments in tax disputes.

9. Relevance to Sole Beneficiaries and Reclamation in the Proclamation Context

For a sole beneficiary as taker on vesting, TR 2018/6 solidifies absolute entitlement, rendering the trustee a bare holder obligated to transfer on demand. This supports the Restated Proclamation by:

- Avoiding automatic CGT on vesting (no E1).
- Voiding post-vesting irregularities, allowing reclamation of assets without tax penalties.
- Aligning with international principles (e.g., IRS 26 CFR § 1.641(b)-3) for reasonable administration periods.

In forming the private unregulated trust, vesting principles ensure seamless asset vesting without regulatory triggers, as distributions to the new structure can be structured to avoid E5/E7.
This expansion confirms TR 2018/6's utility in enforcing sole beneficial ownership commands tax-neutrally. For application, consult a tax advisor, as individual deeds vary.

Updated Legal Basis Table (Incorporating Expansion)

Authority/Ruling	Key Principle	Relevance to Reclamation Cause	Jurisdiction
ATO TR 2018/6	Vesting fixes indefeasible interests in interest/possession; trustee becomes bare trustee; discretionary powers cease automatically; no E1 CGT on vesting alone; E5/E7 possible on absolute entitlement/distribution;	Enables sole beneficiary demands for transfer/reclamation without immediate tax detriment; voids irregularities for restitution; supports in-specie over liquidation to avoid CGT traps.	Australia

	post-vesting income assessed to takers under s97 ITAA 1936; invalid distributions void as breaches.

Note: Based on official ATO content as of December 2025. Not legal/tax advice—seek professional guidance.